

STATE OF ILLINOIS COMMERCE COMMISSION

In the Application of Atmos Energy)
Corporation for Approval Pursuant to)
Section 7-101 of the Public Utility Act) Docket No. 04-0405
of a Services Agreement between Atmos)
Energy Corporation and Atmos Energy)
Services, LLC)

SUPPLEMENTAL DIRECT TESTIMONY OF PATRICIA D. CHILDERS

Q. Please state your name.

A. Patricia D. Childers.

Q. What is your business address?

A. My business address is 810 Crescent Centre Drive, Suite 600, Cool Springs, TN 37067

Q. Are you the same Patricia D. Childers who submitted direct testimony in this proceeding on behalf of the Applicant, Atmos Energy Corporation?

A. Yes.

Q. What is the purpose of your supplemental direct testimony?

A. The purpose of my testimony is to provide clarification and additional testimony addressing an issue raised by the Staff of the Illinois Commerce Commission ("Staff") regarding discovery and examination of books and records.

Q. What clarification are you providing concerning these issues?

A. I wish to clarify that Atmos Energy Corporation ("Atmos") and Atmos Energy Services, LLC ("AES") will make available to the Staff all personnel, documents, books and records and any other information in their possession which relate to the services that AES performs for Atmos pursuant to the Service Agreement between Atmos and AES which is the subject of this

docket.

However, if information requested by Staff does not relate in any way to the commodities or services which AES provides, Atmos believes it would be appropriate to object to such request.

I believe this position is consistent with past Commission rulings regarding discovery issues in which the Commission has stated that whenever Staff has requested access to books and records, such request is subject to the reservation of Applicant's right to object to the production of documents on any basis under applicable law and Commission rules. Further, Applicant cannot be required to produce documents to Staff if such production is contrary to law or Commission rules. If an Applicant objects in the future to the production of documents and the Staff determines that the objection has no merit, Staff can bring the objection before the Commission. If the Commission finds that the Applicant's objection is not well founded, the Commission can compel the Applicant to produce the requested material. See the Commission's Order in Docket No. 95-0551.

If some of the information which Staff may request of Atmos and AES is confidential, then AES and Atmos intend to advise Staff and make the information available to Staff subject to an appropriate confidentiality arrangement.

Atmos and AES understand that Staff needs access to personnel, documents, books and records and other information concerning the transactions involving AES and Atmos and involving AES and third parties for the benefit of Applicant. Atmos and AES commit that they will provide such access if Staff's request reasonably relates in any way to the commodities or services which AES is providing or performing for the Applicant. It is not Atmos' intent to use the creation of AES as a means to frustrate Staff's ability to inquire into the business of the Atmos and its dealings with AES.

Q. Does this conclude your supplemental direct testimony?

A. Yes.